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UNITED STATES
ES AND EXCHANGE COMMISSION
ashington, D.C. 20549

FORM 10-Q

01548
0-34930
C92-2229

(Mark One)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 1992

or

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

BEST COPY AVAILABLE

Commission file number 0-10574

CARDIAC RESUSCITATOR CORPORATION
(Exact name of registrant as specified in its charter)

OREGON	22-2305475
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5601 Westside Avenue, North Bergen, New Jersey	07047
(Address of principal executive offices)	(Zip code)

(201)854-6600
(Registrant's telephone number, including area code)

(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [ ] Yes [X] No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. [ ] Yes [ ] No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of common stock as of March 31, 1992: 17,971,775.

CARDIAC RESUSCITATOR CORPORATION

STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
Net revenues	$ 72,800	$
Selling, general & administrative expenses	16,800	13,200
Gain on sale of marketable securities	(27,000)	
Interest expense - net	13,400	14,300
	3,200	27,500
NET INCOME (LOSS)	$ 69,600	$ (27,500)
Net income (loss) per common share	$ ---	$ ---
Weighted average number of common shares outstanding.	17,971,775	17,971,775

The accompanying notes are an integral part of these interim financial statements.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CARDIAC RESUSCITATOR CORPORATION

BALANCE SHEETS
(Unaudited)

	March 31, 1992	December 31, 1991
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 337,100	$ 225,500
Royalty receivable	50,800	31,200
Prepaid expenses and other current assets	12,800	19,100
Marketable security (at cost; market value - $49,500)		38,400
Total current assets	400,700	314,200
TOTAL	$ 400,700	$ 314,200
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	$ 39,200	$ 24,900
Advances from Emerson Radio Corp.	131,700	131,700
Note payable - other	499,500	496,900
Total current liabilities	670,400	653,500
SHAREHOLDERS' DEFICIT		
Preferred stock--par value $10.00 per share; authorized 500,000 shares; issued 500,000 shares	5,000,000	5,000,000
Common stock--no par value; authorized 20,000,000 shares; issued and outstanding 17,971,775 shares	678,400	678,400
Additional paid-in capital	20,376,300	20,376,300
Accumulated deficit	(26,324,400)	(26,394,000)
Total shareholders' deficit	(269,700)	(339,300)
TOTAL	$ 400,700	$ 314,200

The accompanying notes are an integral part of these interim financial statements.

CARDIAC RESUSCITATOR CORPORATION

STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	1992	1991
Cash Flows from Operating Activities:		
Net cash provided (used) by operating activities	$ 46,200	$ (5,100)
Cash Flows from Investing Activities:		
Proceeds from sale of marketable securities	65,400	
Proceeds from collection of royalty receivable		108,600
Net cash provided by investing activities	65,400	108,600
Cash Flows from Financing Activities:		
Net repayments under line of credit		(110,000)
Other		10,000
Net cash utilized by financing activities		(100,000)
Net increase in cash and cash equivalents	111,600	3,500
Cash and cash equivalents at beginning of year	225,500	23,400
Cash and cash equivalents at end of period	$ 337,100	$ 26,900
Supplemental disclosure of cash flow information:		
Interest paid	$ ---	$ 2,600

The accompanying notes are an integral part of these interim financial statements.

CARDIAC RESUSCITATOR CORPORATION

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1

The unaudited interim financial statements reflect all adjustments (consisting only of normal recurring adjustments) that management believes necessary for a fair presentation of the results of operations for the periods being reported. The unaudited interim financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission and consequently do not include all of the disclosures normally made in the Cardiac Resuscitator Corporation ("the Company") annual Form 10-K filing.

NOTE 2

The Company's interim financial statements have been presented on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As described below, the Company's liquidity has been adversely affected by the bankruptcy of Truvel Corporation ("Truvel").

From July 1989 to June 1990, the Company had been engaged in the performance of consulting services with respect to the strategic marketing and sale and attendant financial considerations of medical electronic instrumentation and devices for Truvel, a concern engaged in the development, manufacture and sale of electronic digitizing image scanners. Such services were performed pursuant to a two year agreement entered into in June 1989 between the Company and Truvel providing for the Company's performance of the aforementioned consulting services on Truvel's behalf for an aggregate consideration of $240,000. Contemporaneously with its entrance into such an agreement, the Company acquired a $750,000 equity interest in Truvel. As part of the investment, the Company received a distribution of 139,993 shares of Vision Ten Inc. ("Vision Ten") common stock. On June 5, 1990, Truvel instituted a voluntary proceeding under Chapter 11 of the Bankruptcy Code for the Central District of California. On September 4, 1990, a plan of reorganization was approved providing for the sale of Truvel's assets and the cancellation of all common shares. Based on the bankruptcy court decision, the Company has not received revenues from Truvel and has written off its investment in Truvel aggregating $708,000. Therefore, no consulting revenues have been recognized since June 1990. In October 1991, the Company sold 12,000 shares of Vision Ten common stock for net proceeds of $4,800, resulting in a net gain of $1,200. The Company subsequently sold all remaining Vision Ten common stock in January 1992 for net proceeds of $65,400, resulting in a net gain of $27,000.

As a consequence of Truvel's insolvency proceeding, commencing June 1990, the Company began to pursue acquisitions or other business opportunities. There are currently no specific plans or understandings to cause the Company to make any specific acquisition or enter into any

NOTE 2 (CONTINUED)

specific business opportunity. The Company's current operating activities consists of licensing patents relating to the medical electronics business which it sold in June 1988 (the "Asset Sale"). The Company's medical electronics business consisted of the development, manufacture, and sale of portable devices that electronically identified in human beings ventricular fibrillation and/or severe slowing of the heart and provided such patients with appropriate electrical treatment by means of defibrillation shock or pacing stimulation.

As part of the terms of the Asset Sale, the Company was entitled to receive minimum royalties of $150,000 in each of the three years ending June 30, 1991. In the contract year ended June 30, 1991, the Company recognized additional royalties in excess of the minimum royalty level. The minimum royalty was not exceeded in the contract years ended June 30, 1990 and 1989.

The royalties earned under the Asset Sale extend to the expiration date of the patents. However, no assurance can be given that the Company will earn sufficient revenue from the licensing of such patents to enable the Company to meet its obligations to its creditors through the end of 1992. The Company has received funding from Emerson Radio Corp. ("Emerson") in prior years; however, there can be no assurance that the Company will continue to receive funding from Emerson for the Company's operations. Emerson owns approximately 79% of the Company's outstanding common stock and approximately 92% of the Company's voting power. Although Emerson has guaranteed the Company's $500,000 convertible subordinated note (the "Note") outstanding at March 31, 1992, the Company elected not to make scheduled interest and principal payments aggregating $528,600 that were due on May 1, 1992. To date, the noteholder has not elected to enforce its right to declare the Note immediately due and payable. In the event the noteholder declares the Note immediately due and payable, the Company will not be able to meet its obligation unless it receives additional advances from Emerson. The Company has approached the holder of the Note to restructure the payment terms of the Note. All advances from Emerson since March 31, 1988 have been non-interest bearing.

If the Company does not generate revenues from the licensing of patents or receive advances from Emerson sufficient to maintain the Company's operations and meet its obligations, management may find it necessary to dispose of assets or undertake other actions as may be appropriate.

The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 3 (CONTINUED)

As of March 31, 1992, the Company was in default of its 11 1/2% convertible subordinated note, due to its inability to maintain a minimum current ratio of 1.25 and for failure to make required sinking fund payments due annually on May 1 from 1987 to 1991 and aggregating $500,000 through May 1, 1991. In addition, the Company elected not to make scheduled interest and principal payments aggregating $528,600 that were due on May 1, 1992. To date, the noteholder has not elected to enforce its right to declare the Note immediately due and payable. Accordingly, the principal balance of the Note in the amount of $500,000 has been classified as a current liability at March 31, 1992. The Note is convertible into a maximum of 166,667 shares of the Company's common stock. The Note also contains various restrictive covenants related to the payment of dividends and repurchase of its common stock. The Note is guaranteed by Emerson.

A 15% promissory note issued by Emerson, which was converted to common stock on February 6, 1986, was issued with warrants of the Company to acquire up to 450,000 shares of the Company's common stock. The warrants were exercisable at $6 per share and expired on May 1, 1992.

NOTE 4

(A) Statements of Cash Flows:

For purposes of the statements of cash flows, short-term investments with maturities of three months or less at the time of purchase are considered to be cash equivalents.

(B) Income Taxes:

Emerson, as a result of owning at least 80% of the Company's common stock, included the Company's results of operations in its consolidated tax returns and has utilized all of the Company's operating losses from August 30, 1979 to November 30, 1982. The Company has not received, nor expects to receive, a benefit from Emerson for its use of these losses. As a result, these losses are not available to the Company to offset any taxable income which may be earned in future years. On December 1, 1982, Emerson's ownership of the Company decreased to approximately 74%. As a result, for Federal income tax purposes, the Company's results of operations for the period December 1, 1982 to September 6, 1984 have not been included in Emerson's consolidated tax return and the accumulated operating losses of $5,193,700 for the period are available to the Company to offset any taxable income earned through 1999. Since September 6, 1984, Emerson has controlled in excess of 80% of the shares of the

NOTE 4 (CONTINUED)

Company in terms of both voting power and value. As a result, Emerson has included the Company's results of operations in its consolidated tax returns for periods subsequent to that date and has utilized substantially all of the Company's net operating losses from September 6, 1984 to March 31, 1992. The Company has not received, nor expects to receive, a benefit from Emerson for use of these losses. The Company has not paid any income taxes for the three months ended March 31, 1992 and 1991.

(C) Earnings (Loss) Per Share:

Earnings (loss) per common share is based on the weighted average number of shares outstanding during each of the periods.

NOTE 5

In June 1984, the Company's Board of Directors adopted a stock grant plan pursuant to which 100,000 shares of common stock were reserved for issuance under the Plan. At March 31, 1992 the Company had issued 69,667 shares of common stock pursuant to the Plan.

NOTE 6

In September 1984, the Company's Articles of Incorporation were amended to include the authority to issue 500,000 shares of preferred stock with a par value of $10.00 per share. Each preference share shall have 60 votes per share for each corporate matter on which shareholders may vote. The Company may, on not less than 10 days' prior written notice to the holders of preference shares, redeem all or any portion of the preference shares at a redemption price of $10.00 per share plus declared and unpaid dividends, if any. The preference shares do not have preemptive rights. The holders of preference shares are entitled to noncumulative dividends at the rate of $.80 per share, payable semi-annually when, as and if declared by the Board of Directors before any dividends are paid on common shares. In the event of any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, the holder of the preference shares is entitled, after provision for payment of the Company's debts and other liabilities, to a liquidation preference of $10.00 per share. Initially, each preference share is convertible into 1-1/3 common shares of the Company, at any time (an effective conversion price of $7.50 per share), subject to adjustment to protect against dilution. Emerson purchased 150,000 shares of the preferred stock on September 6, 1984 and converted certain notes payable into 350,000 shares on February 6, 1986.

CARDIAC RESUSCITATOR CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

ITEM 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations

Net revenues for the three months ended March 31, 1992 were $72,800, resulting from royalties earned from the licensing of patents. The Company did not incur any costs to generate these royalties. There were no revenues or cost of revenues in the three months ended March 31, 1992.

Selling, general and administrative expenses increased $3,600 in the quarter ended March 31, 1992 from the same period last year, attributable to consulting fees incurred in the current quarter. Interest expense for the three months ended March 31, 1992 remained stable as compared to the same period last year.

As a result of the foregoing factors, net earnings were $69,600 for the three months ended March 31, 1992 in comparison to a net loss of $27,500 for the same period last year.

Liquidity and Capital Resources

Net cash provided by operating activities for the three months ended March 31, 1992 was $46,200, attributable to the collection of royalties.

Net cash provided by investing activities was $65,400 for the quarter ended March 31, 1992, consisting of proceeds from the sale of Vision Ten common stock. There were no financing activities in the three months ended March 31, 1992

As of March 31, 1992, the Company was in default of its 11 1/2% convertible subordinated note (the "Note"), due to its inability to maintain a minimum current ratio of 1.25 and for failure to make required sinking fund payments due annually on May 1 from 1987 to 1991 and aggregating $500,000 through May 1, 1991. In addition, the Company elected not to make scheduled interest and principal payments aggregating $528,600 that were due on May 1, 1992. To date, the noteholder has not elected to enforce its to declare the Note immediately due and payable. In the event the noteholder declares the Note immediately due and payable, the Company will not be able to meet its obligations unless it receives additional advances from Emerson Radio Corp. ("Emerson"). Accordingly, the principal balance of the Note in the amount of $500,000 has been classified as a current liability at March 31, 1992. The Company has approached the holder of the Note to restructure the payment

Liquidity and Capital Resources (Continued)

terms of the Note. The Note is convertible into a maximum of 166,667 shares of the Company's common stock. The Note also contains various restrictive covenants related to the payment of dividends and repurchase of its common stock. The Note is guaranteed by Emerson, which currently owns approximately 79% of the Company's outstanding common stock and approximately 92% of the Company's voting power.

From July 1989 to June 1990, the Company had been engaged in the performance of consulting services with respect to the strategic marketing and sale and attendant financial considerations of medical electronic instrumentation and devices for Truvel, a concern engaged in the development, manufacture and sale of electronic digitizing image scanners. Such services were performed pursuant to a two year agreement entered into in June 1989 between the Company and Truvel providing for the Company's performance of the aforementioned consulting services on Truvel's behalf for an aggregate consideration of $240,000. Contemporaneously with its entrance into such an agreement, the Company acquired a $750,000 equity interest in Truvel. As part of the investment, the Company received a distribution of 139,993 shares of Vision Ten Inc. ("Vision Ten") common stock. On June 5, 1990, Truvel instituted a voluntary proceeding under Chapter 11 of the Bankruptcy Code for the Central District of California. On September 4, 1990, a plan of reorganization was approved providing for the sale of Truvel's assets and the cancellation of all common shares. Based on the bankruptcy court decision, the Company has not received revenues from Truvel and has written off its investment in Truvel aggregating $708,000. Therefore, no consulting revenues have been recognized since June 1990. In October 1991, the Company sold 12,000 shares of Vision Ten common stock for net proceeds of $4,800, resulting in a net gain of $1,200. The Company subsequently sold all remaining Vision Ten common stock in January 1992 for net proceeds of $65,400, resulting in a net gain of $27,000.

As a consequence of Truvel's insolvency proceeding, commencing June 1990, the Company began to pursue acquisitions or other business opportunities. There are currently no specific plans or understandings to cause the Company to make any specific acquisition or enter into any specific business opportunity. The Company's current operating activities consists of licensing patents relating to the medical electronics business which it sold in June 1988 (the "Asset Sale"). The Company's medical electronics business consisted of the development, manufacture, and sale of portable devices that electronically identified in human beings ventricular fibrillation and/or severe slowing of the heart and provided such patients with appropriate electrical treatment by means of defibrillation shock or pacing stimulation.

CARDIAC RESUSCITATOR CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - CONCLUDED

Liquidity and Capital Resources (Continued)

As part of the terms of the Asset Sale, the Company was entitled to receive minimum royalties of $150,000 in each of the three years ending June 30, 1991. In the contract year ended June 30, 1991, the Company recognized additional royalties in excess of the minimum royalty level. The minimum royalty was not exceeded in the contract years ended June 30, 1990 and 1989.

The royalties earned under the Asset Sale extend to the expiration date of the patents. However, no assurance can be given that the Company will earn sufficient revenue from the licensing of such patents to enable the Company to meet its obligations to its creditors through the end of 1992. The Company has received funding from Emerson in prior years; however, there can be no assurance that the Company will continue to receive funding from Emerson for the Company's operations.

If the Company does not generate revenues from the licensing of patents or receive advances from Emerson sufficient to maintain the Company's operations and meet its obligations, management may find it necessary to dispose of assets or undertake other actions as may be appropriate.

As a result of the termination of its consulting activities and the composition of its assets, the Company could be deemed to be an investment company for the purposes of the Investment Company Act of 1940, as amended ("1940 Act"). If such a determination were made, the Company would be required to register as an investment company under the 1940 Act. The Act imposes restrictions as to an investment company's name, capital structure, issuance of its securities, investments, constitution of its board of directors, and power to declare dividends and select accountants and financial officers, as well as to the rights of its shareholders to vote. In addition, the 1940 Act, if applicable, would require the Company to register under the 1940 Act as an Investment Company, adopt a specific form of corporate structure and comply with certain burdensome reporting, record keeping, voting, proxy, disclosure and other rules and regulations. If the Company were to be characterized as an investment company for purposes of the 1940 Act, the failure by the Company to satisfy regulatory requirements, whether on a timely basis or at all, would under certain circumstances, have a material adverse effect on the Company.

CARDIAC RESUSCITATOR CORPORATION

PART II

OTHER INFORMATION

ITEM 3. Defaults Upon Senior Securities.

Reference is made to Note 3 of Notes to Interim Financial Statements included in Part I of this Report.

ITEM 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:

Exhibits pursuant to provisions of Item 601 of Regulation S-K are not applicable.

(b) Reports on Form 8-K:

During the three month period ended March 31, 1992, no Form 8-K was required to be filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

CARDIAC RESUSCITATOR CORPORATION
(Registrant)

Date: May 19, 1992

Edward G. Bohn
Vice President/Finance and
Chief Financial Officer *

* Duly authorized to execute on behalf of the Registrant.